

TREND ANALYSIS

3Q10 Bioscience VC, M&A and IPO Overview

Key Findings:

- ✓ 70 bioscience venture funded financings raised \$1.42 billion
- ✓ The bioscience public markets continued their slow thaw with 3 new issues
- ✓ 7 bioscience M&A transactions > \$100M accounted for \$5.22 billion

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www.OnBioVC.com



The 3Q10 OnBioVC Trend Analysis provides timely coverage and comprehensive analysis of global bioscience private and public capital investment and M&A activity.

This report parses out transactional activity via the tracking of private bioscience companies (including therapeutic, diagnostic, medical device, medical-IT and biofuel sectors) and details bioscience venture investments over time and compares to prior periods. OnBioVC, an Indicium Data Company, publishes reports quarterly, this report includes data for quarter-over-quarter and year-to-date periods. The venture deal data contained is sorted by aggregate dollars raised via round, region, state and sector, and contains additional information on the indications and technologies receiving investment along with detail on the company who has closed their financing round within the identified time period; this data is followed by an analysis of bioscience public offerings and biopharma M&A deals.

The website OnBioVC.com provides a free and easy to search database where information queries may be indexed by therapeutic, diagnostic, device, medical-IT and biofuel company, technology, indication, financing-round, close date and geographic region — as well as details of the venture capital funds who are financing the deals. All data aggregated at OnBioVC.com is also available for delivery to your inbox via a free email or RSS subscription.

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<http://www.apredica.com/articles/EmergingRoleADMEinVC.pdf>

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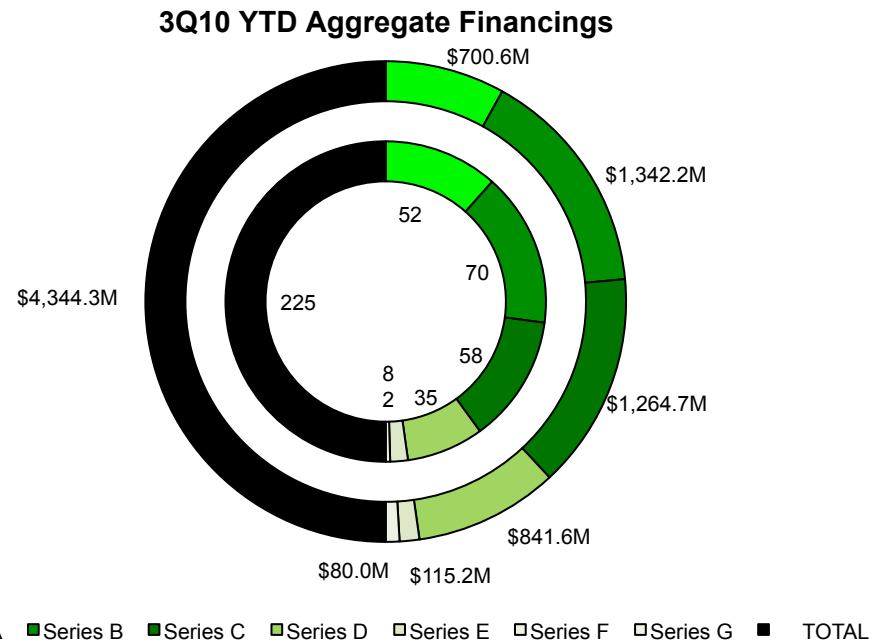
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3Q10 Summary Overview

The 3Q10 OnBioVC Trend Analysis tracked, in aggregate, 70 biopharma, diagnostic, device, medical-IT and biofuel venture financings totaling \$1,420.0M (data to follow). Compared to 3Q09 OnBioVC data, this investment activity represents a decrease in the number of quarter-over-quarter financings by 25 (95 v. 70) and a decrease in quarter-over-quarter invested capital of \$242.9M (\$1,420.0M v. \$1,662.9M). Alternatively, the quarter-versus-quarter comparison provides a similarly diminishing trend, that being an decrease in deals by 11 for 3Q10 compared to 81 total in 2Q10, and a decline in total financings of \$244.2M (\$1,420.0M v. \$1,664.2M), a reduction of some 15%. Data through nine months yields a projected 2010 run-rate of \$5.79 billion of bioscience venture dollars, one of the potential lowest totals in the last ten years.



SECTOR REPRESENTATION

COMPAY FOCI	# of Deals	% Total
Oncology	14	20.0%
CV	4	5.7%
Device (Dx)	4	5.7%
TeleMed	4	5.7%
Device (GI)	3	4.3%
Inflammation	3	4.3%
Reagents	3	4.3%
Renal	3	4.3%
Vax	3	4.3%
Biofuel	2	2.9%
CNS	2	2.9%
Device (Aneurysm)	2	2.9%
Device (CV)	2	2.9%
Device (Sequencing)	2	2.9%
Device (Sleep Apnea)	2	2.9%
Device (Spine)	2	2.9%
Diabetes	2	2.9%
Drug:Device (Pain)	2	2.9%
Delivery	1	1.4%
Device (Flow Cytometry)	1	1.4%
Device (Stent)	1	1.4%
Device (Surgical)	1	1.4%
Hearing Loss	1	1.4%
HIV	1	1.4%
Infectious Disease	1	1.4%
Pain	1	1.4%
siRNA	1	1.4%
Stem Cells	1	1.4%
UI	1	1.4%
TOTAL	70	100%

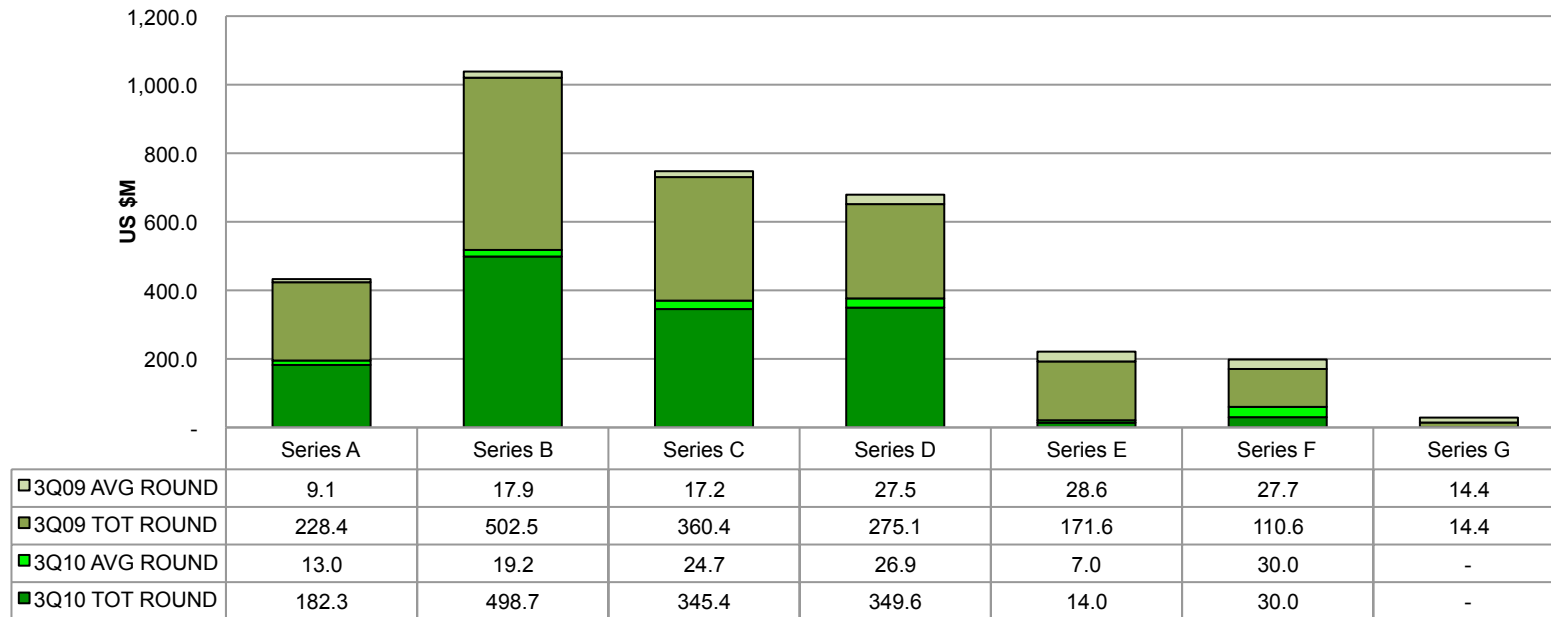
For 3Q10 the oncology sector continued to flex its muscles, accounting for one in five deals closed in the quarters ninety days, the 14 financings accounted for \$308.1M and interestingly approximately 22% of capital invested. The largest deal came from Tuebingen, Germany-based Immatics Biotechnologies who closed a \$71M (USD) Series C financing. The clinical-stage company is focused on the discovery and development of HLA binding tumor-associated peptides (TUMAPs) that demonstrate the highest sensitivity acquired directly from primary human tumor samples. From thousands of identified TUMAPs, the most suitable candidates are selected and combined to a single multi-peptide product to form a therapeutic cancer vaccine. The goal is to provoke a number of specific T-cell responses which finally result in the destruction of tumor cells presenting the applied TUMAPs. This broadly applicable technology has enabled Immatics to create a robust clinical and preclinical pipeline in a brief time. From the first steps of TUMAP discovery to entering the clinic requires only 24 months or less. The Company's most advanced product is IMA901, having competed a Phase II trial in renal cancer and will commence a world-wide Phase III trial by 4Q10. Additional clinical trials are ongoing in colon and brain cancer.

12 deals are evenly distributed between cardiovascular, diagnostics and telemedicine and account for \$261.1M or approximately 18% of quarterly investment dollars. The 4 CV deals accounted for \$160M or approximately 11% of quarterly investment dollars; Santa Clara, CA-based Relypsa, focused on a non-absorbed potassium binder for the management of hyperkalemia, closed a \$70M Series B.



CAPITAL RAISED PER ROUND

Aggregate Dollars Raised per Round 3Q10 v. 3Q09

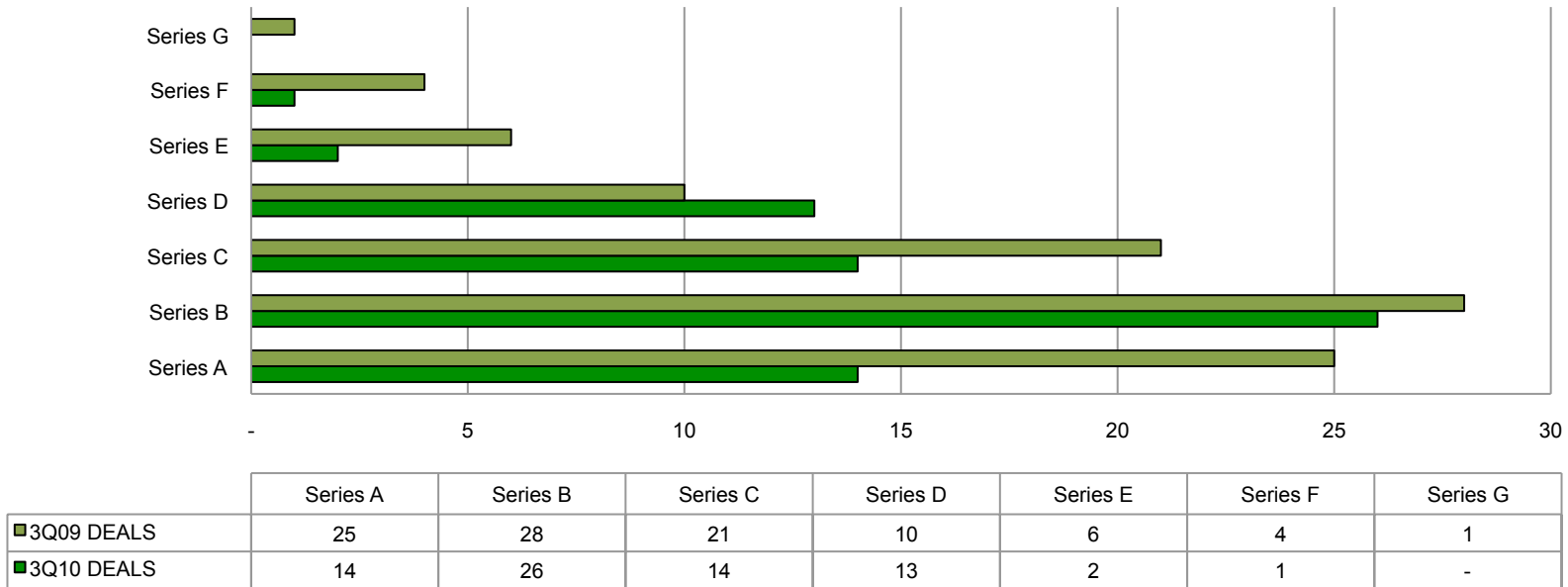


For 3Q10 financings were concentrated in follow-on mid-stage entities. Series B deals lead the way accounting for \$496.7M in capital raised with Series C and D deals running neck and neck in second place totaling \$345.4M and \$349.6M respectively. The average size round for the B increased slightly quarter-over-quarter (\$19.2M v. \$17.9M) and the same growth trend is observed for the C (\$24.7M v. \$17.2M) while the average size D decreased ever so slightly (\$26.9M v. \$27.5M). The single largest financing of the 3Q10 was a Series D completed by Irving, TX-based Reata Pharmaceuticals who closed on \$78M financing. The clinical-stage company is focused on developing bardoxolone methyl an antioxidant inflammation modulator targeting Nrf2 for the treatment of renal and cardiovascular disease.



TOTAL FINANCINGS PER ROUND

Total Financings per Round 3Q10 v. 3Q09

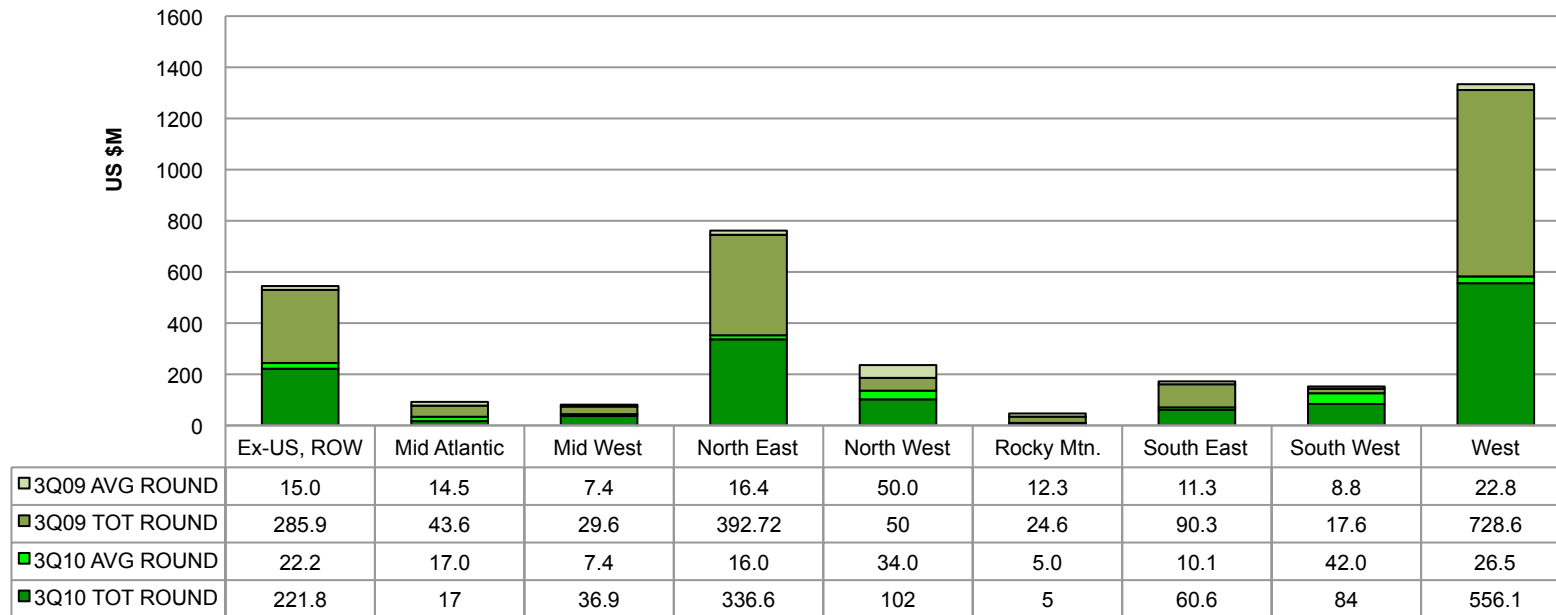


3Q10 saw total financings contract relative to 3Q09 by a total of 25 (70 in 3Q10 v. 95 in 3Q09). An interesting trend to observe is the continued decrease in number of first-time institutional investments, as the Series A round showed a drop by eleven deals year-to-date relative to 2009, this trend is extended to the total Series A dollars invested with a drop of \$46.1M for 3Q10 (\$182.3M v. \$228.4M). Examining this first-time Series A investment evaporation thesis from a 2010 v. 2009 YTD perspective demonstrates further support with a 2010 YTD total deals of 52 v. 73 in 2009 and a corresponding reduction in capital invested of \$216.2M (\$700.6M v. \$916.8M).



CAPITAL RAISED PER REGION

Aggregate Dollars Raised per Region 3Q10 v. 3Q09

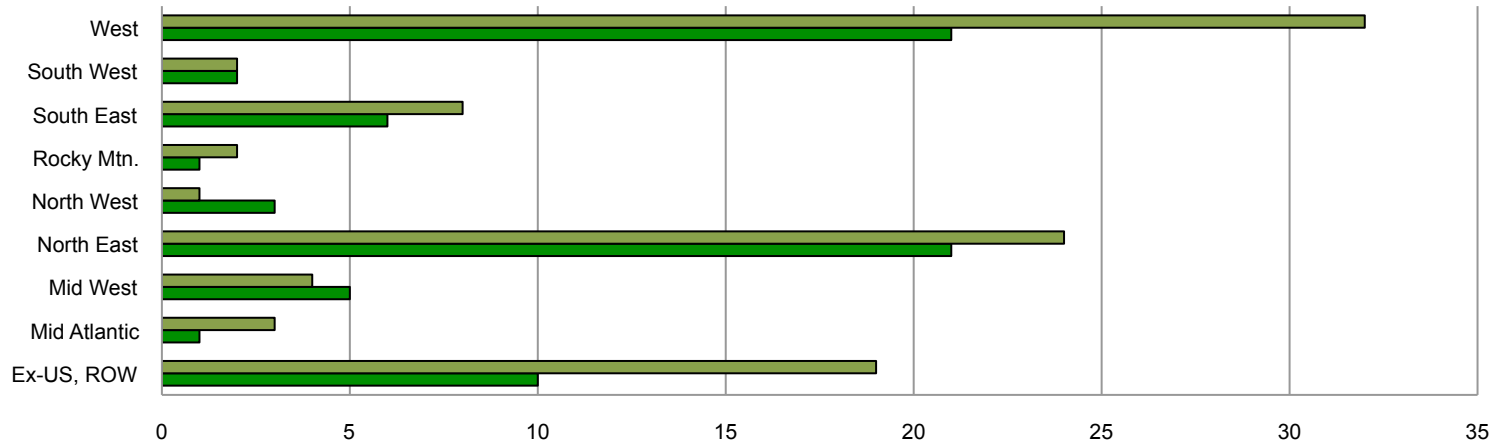


Without any surprise the West region in 3Q10 picked up right where it left off 2Q10 and '09 and '08 and...and continued its dominance in attracting bioscience capital investment. With California serving as home to not one but two world-class centers of intellectual property creation, in San Francisco and San Diego, as well as home to the fund concentration found on Silicon Valley's Sand Hill Road or on Market St. in the Gaslamp. There is something to be said for a CEO who is able to hold a Board of Directors meeting less than an hour away from the home offices of their venture investors. No magic or secret sauce is required to build a bio cluster, when the people, IP and capital all geographically overlap, increased investment activity transpires and good things tend to emerge where more "shots on goal" are taken. Similarly the concentration of intellectual capital and venture capital converge in the North East in Boston and Cambridge.



TOTAL FINANCINGS PER REGION

Total Financings per Region 3Q10 v. 3Q09

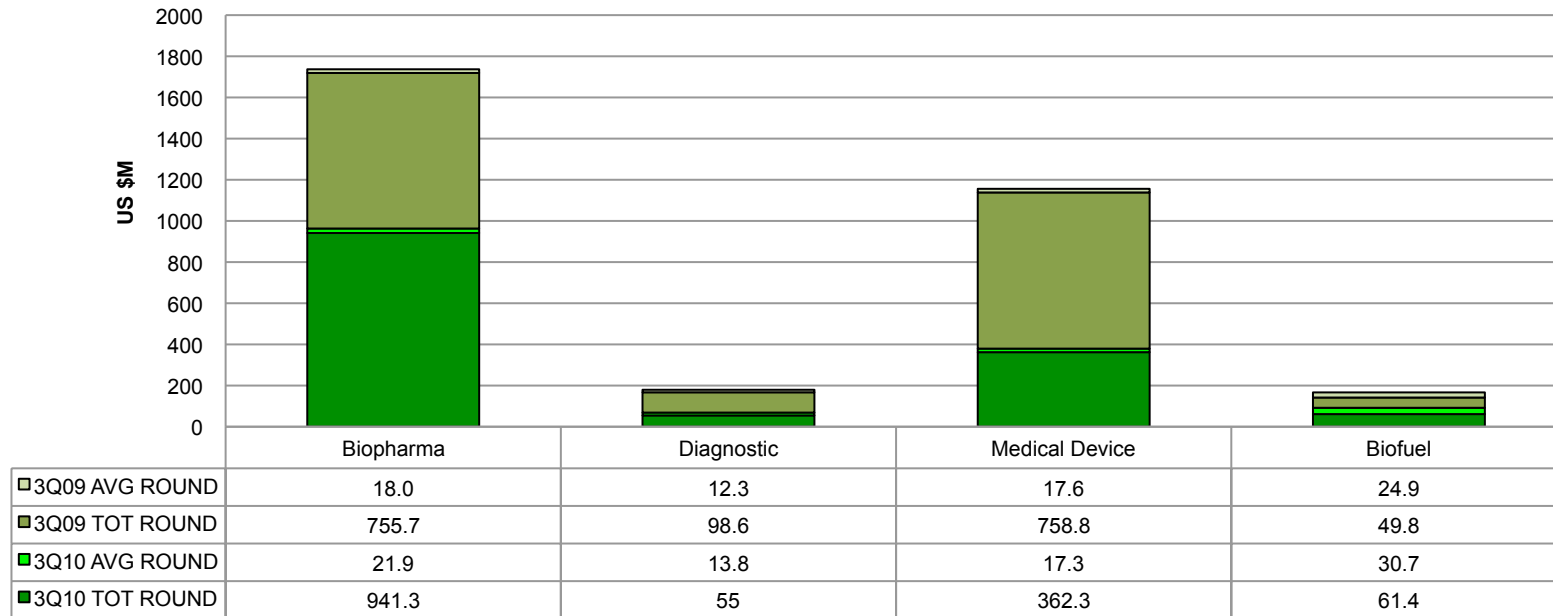


	Ex-US, ROW	Mid Atlantic	Mid West	North East	North West	Rocky Mtn.	South East	South West	West
3Q09 DEALS	19	3	4	24	1	2	8	2	32
3Q10 DEALS	10	1	5	21	3	1	6	2	21



CAPITAL RAISED PER SECTOR

Aggregate Dollars Raised per Sector 3Q10 v. 3Q09

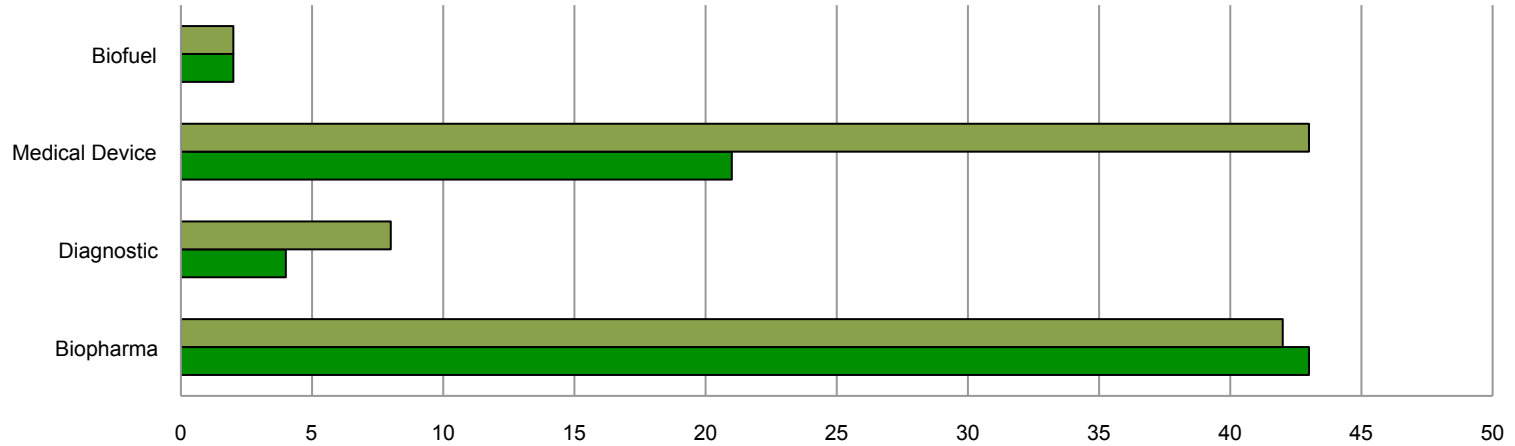


Note: The biofuel sector may attribute to variability between OnBioVC and other data reporting groups; the team works to screen in for inclusion only biotechnology based deals that leverage life science tools and techniques (e.g. will include companies using molecular biological methods to capture algae as a fuel source while will exclude companies using photovoltaic semiconductor methods to capture solar radiation).



TOTAL FINANCINGS PER SECTOR

Total Financings per Sector 3Q10 v. 3Q09

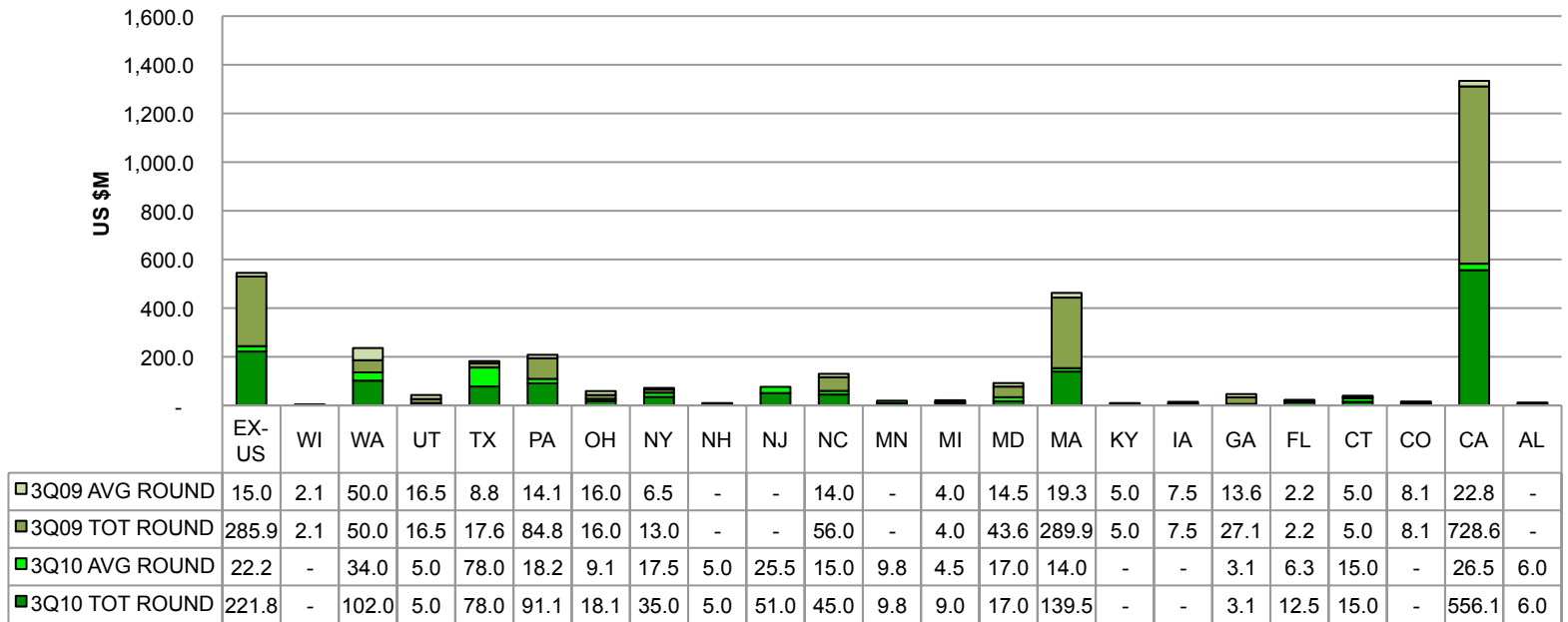


	Biopharma	Diagnostic	Medical Device	Biofuel
3Q09 DEALS	42	8	43	2
3Q10 DEALS	43	4	21	2



CAPITAL RAISED PER STATE

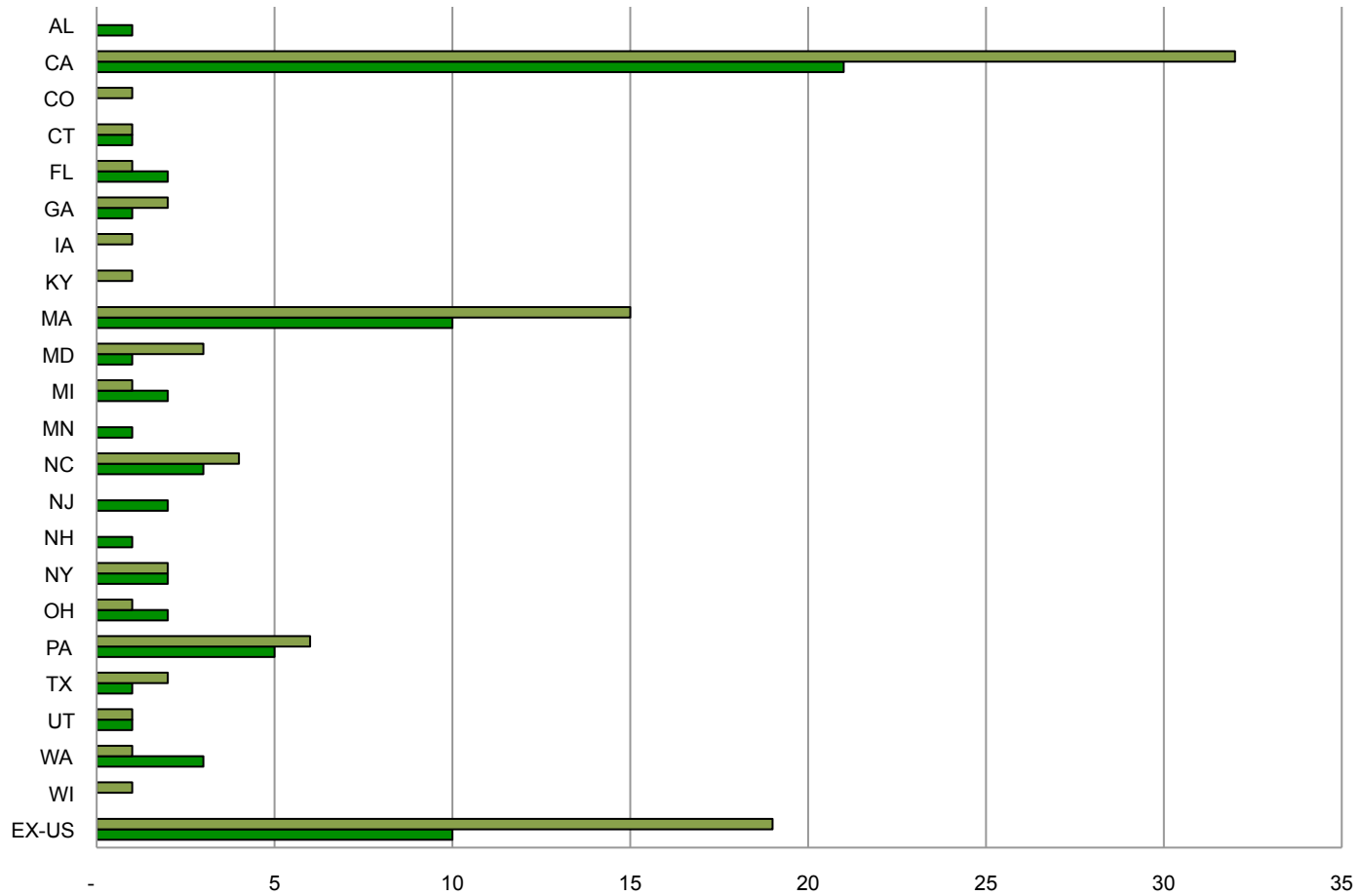
Aggregate Dollars Raised per State
3Q10 v. 3Q09





TOTAL FINANCINGS PER STATE

Total Financings per State
3Q10 v. 3Q09



	EX-US	WI	WA	UT	TX	PA	OH	NY	NH	NJ	NC	MN	MI	MD	MA	KY	IA	GA	FL	CT	CO	CA	AL
3Q09 DEALS	19	1	1	1	2	6	1	2	-	-	4	-	1	3	15	1	1	2	1	1	1	32	-
3Q10 DEALS	10	-	3	1	1	5	2	2	1	2	3	1	2	1	10	-	-	1	2	1	-	21	1



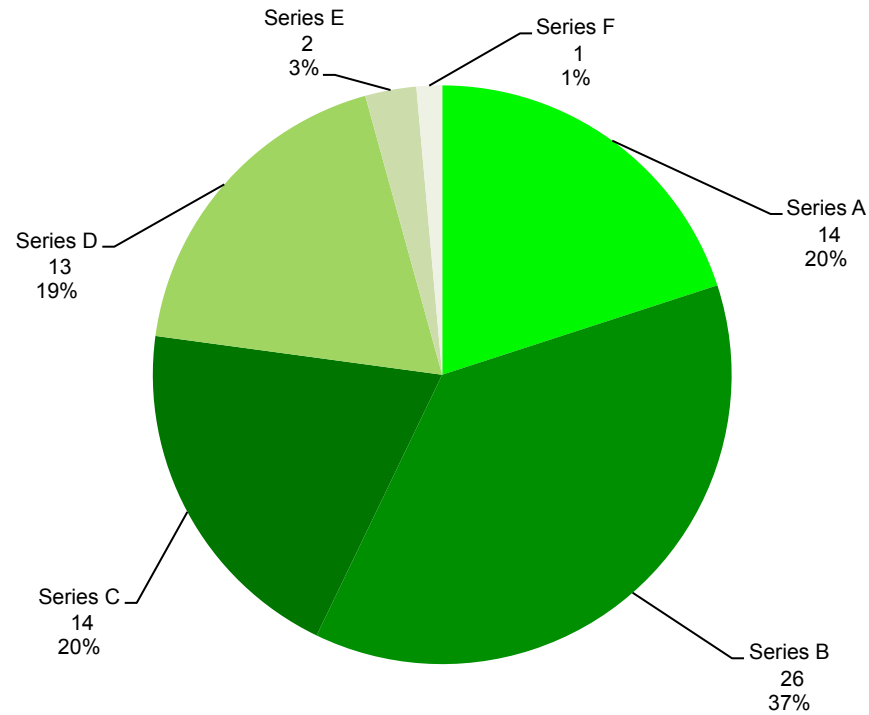
TOTALS PER STATE

FINANCING ROUND	3Q10 DEALS	3Q10 TOT ROUND	3Q10 AVG ROUND	3Q09 DEALS	3Q09 TOT ROUND	3Q09 AVG ROUND
EX-US	10	221.8	22.2	19	285.9	15.0
WI	-	-	-	1	2.1	2.1
WA	3	102.0	34.0	1	50.0	50.0
UT	1	5.0	5.0	1	16.5	16.5
TX	1	78.0	78.0	2	17.6	8.8
PA	5	91.1	18.2	6	84.8	14.1
OH	2	18.1	9.1	1	16.0	16.0
NY	2	35.0	17.5	2	13.0	6.5
NH	1	5.0	5.0	-	-	-
NJ	2	51.0	25.5	-	-	-
NC	3	45.0	15.0	4	56.0	14.0
MN	1	9.8	9.8	-	-	-
MI	2	9.0	4.5	1	4.0	4.0
MD	1	17.0	17.0	3	43.6	14.5
MA	10	139.5	14.0	15	289.9	19.3
KY	-	-	-	1	5.0	5.0
IA	-	-	-	1	7.5	7.5
GA	1	3.1	3.1	2	27.1	13.6
FL	2	12.5	6.3	1	2.2	2.2
CT	1	15.0	15.0	1	5.0	5.0
CO	-	-	-	1	8.1	8.1
CA	21	556.1	26.5	32	728.6	22.8
AL	1	6.0	6.0	-	-	-
TOTAL	70	1,420.0	20.3	95	1,662.9	17.5



TOTAL FINANCINGS ROUND FREQUENCIES

3Q10 Financing Round Frequencies





DEALS BY COMPANY

COMPANY	ROUND	RAISE (\$M)	STATE	SECTOR	I ^o INDICATION
Accuri Cytometers	E	6.0	MI	Med Device	Device (Flow Cytometry)
Alethia Biotherapeutics	A	7.0	EX	Biopharma	Oncology
Anchor Therapeutics	B	10.0	MA	Biopharma	Oncology
Aptus Endosystems	D	15.0	CA	Med Device	Device (Aneurysm)
Auspex Pharmaceuticals	C	12.0	CA	Biopharma	Pain
AxioMed Spine	D	15.0	OH	Med Device	Device (Spine)
BarRx Medical	D	15.0	CA	Med Device	Device (GI)
Boston Heart Lab	C	10.0	MA	Diagnostic	Device (Dx)
Calistoga Pharmaceuticals	C	40.0	WA	Biopharma	Oncology
Calithera Biosciences	A	40.0	CA	Biopharma	Oncology
Cara Therapeutics	D	15.0	CT	Biopharma	Inflammation
Cardioxyl Pharmaceuticals	C	15.0	NC	Biopharma	CV
Celator Pharma	D	20.0	NJ	Biopharma	Oncology
CeNeRx BioPharma	C	10.0	NC	Biopharma	CNS
Cerenis Therapeutics	C	40.0	EX	Biopharma	CV
ClearCount Medical Solutions	B	5.0	PA	Med Device	Device (Surgical)
Complete Genomics	D	39.0	CA	Med Device	Device (Sequencing)
Cylene Pharma	C	12.0	CA	Biopharma	Oncology
Cylene Pharmaceuticals	D	12.0	CA	Biopharma	Oncology
CytomX Therapeutics	B	30.0	CA	Biopharma	N/A
DeclImmune Therapeutics	A	1.0	MA	Biopharma	Inflammation
DiagnosisOne	B	5.0	NH	Med Device	TeleMed
Dicerna Pharmaceuticals	B	25.0	MA	Biopharma	siRNA
Eddingpharm	B	24.0	EX	Biopharma	Oncology
EndoGastric Solutions	F	30.0	WA	Med Device	Device (GI)
EndoStim	B	6.0	AZ	Med Device	Device (GI)
Euthymics Bioscience	A	24.0	MA	Biopharma	CNS
ExcellImmune	A	4.5	MA	Biopharma	Infectious Disease
Femta Pharmaceuticals	A	22.0	CA	Biopharma	Inflammation
Gemin X Pharma	E	8.0	PA	Biopharma	Oncology
Good Start Genetics	A	18.0	MA	Diagnostic	Device (Dx)
Great Lakes Pharma	B	3.1	OH	Biopharma	Drug:Device (Antimicrobial)
Health Market Science	B	6.1	PA	Med Device	TeleMed
Horizon Discovery	C	9.9	EX	Biopharma	Reagents

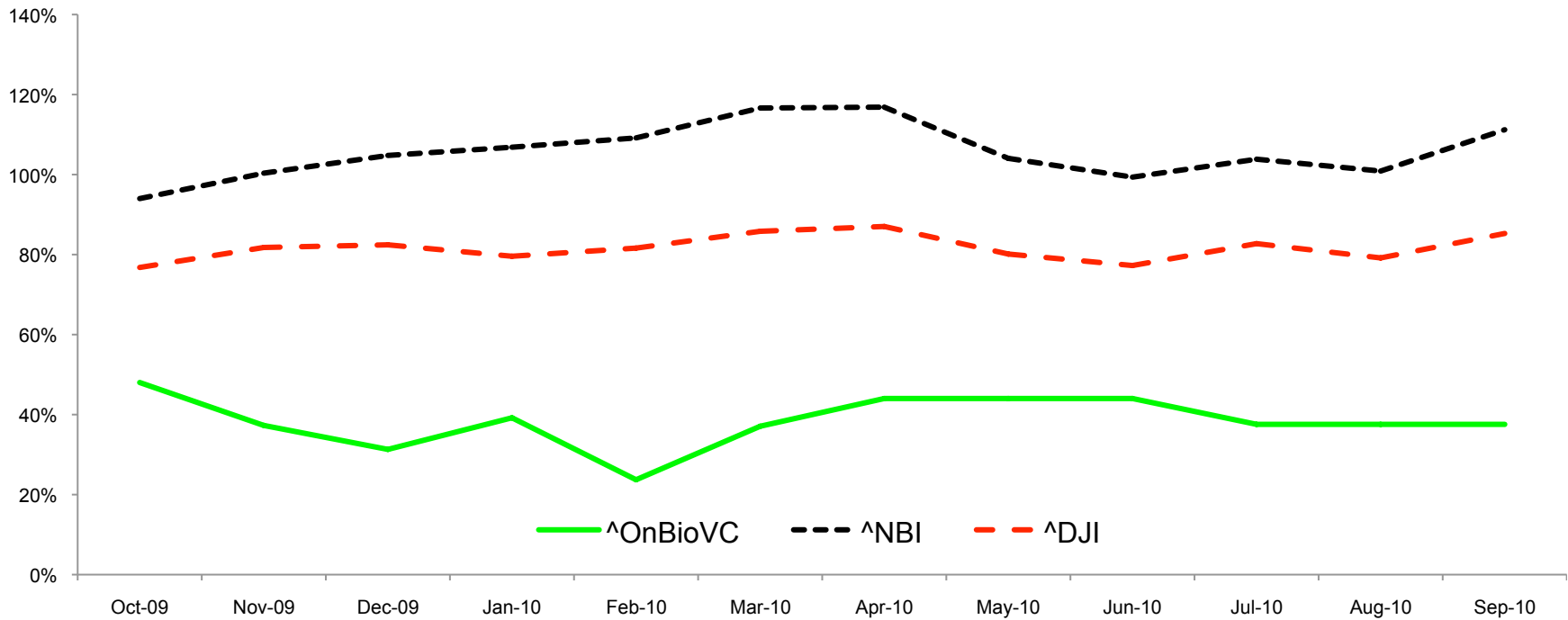


DEALS BY COMPANY

COMPANY	ROUND	RAISE (\$M)	STATE	SECTOR	I° INDICATION
Immatics Biotechnologies	C	71.0	EX	Biopharma	Oncology
Immune Design	B	32.0	WA	Biopharma	Vax (Oncology)
InVasc Therapeutics	A	3.1	GA	Biopharma	Renal
iPierian	B	22.0	CA	Biopharma	Stem Cells
Jennerex Biotherapeutics	D	8.6	CA	Biopharma	Oncology
Lineagen	A	5.0	UT	Diagnostic	Device (Dx)
MerLion Pharmaceuticals	C	7.0	EX	Biopharma	UI
Metamark Genetics	B	22.0	MA	Diagnostic	Device (Dx)
Nephera	B	2.8	EX	Med Device	Device (CV)
NewBridge Pharmaceuticals	B	12.0	CA	Biopharma	Oncology
Okairos	B	20.8	EX	Biopharma	Vax (Infectious Disease)
OpGen	B	17.0	MD	Med Device	Device (Sequencing)
Otonomy	B	38.5	CA	Biopharma	Hearing Loss
Pantech Biosolutions	B	19.0	EX	Med Device	Delivery
Phreesia	D	20.0	NY	Med Device	TeleMed
Poxel	A	20.3	EX	Biopharma	Diabetes
Reata Pharmaceuticals	D	78.0	TX	Biopharma	Renal
Relypsa	B	70.0	CA	Biopharma	CV
Rhythm Pharmaceuticals	A	19.0	MA	Biopharma	Diabetes
SG Biofuels	A	9.4	CA	Biofuel	Biofuel
Si-Bone	B	10.6	CA	Med Device	Device (Spine)
Solazyme	D	52.0	CA	Biofuel	Biofuel
Sorbent Therapeutics	B	21.0	CA	Biopharma	Renal
SuperDimension	B	9.8	MN	Med Device	Device (CV)
Swift Biosciences	A	3.0	MI	Biopharma	Reagents
TetraLogic Pharmaceuticals	C	37.0	PA	Biopharma	Oncology
Tigris Pharmaceuticals	C	6.5	FL	Biopharma	Oncology
Tobria Therapeutics	B	31.0	NJ	Biopharma	HIV
Trevena	B	35.0	PA	Biopharma	CV
TriVascular	C	60.0	CA	Med Device	Device (Aneurysm)
Tryton Medical	D	20.0	NC	Med Device	Device (Stent)
Ventus Medical	D	40.0	CA	Med Device	Device (Sleep Apnea)
Visterra	A	6.0	MA	Biopharma	Vax (Influenza)
Watermark Medical	B	6.0	FL	Med Device	Device (Sleep Apnea)
ZocDoc	B	15.0	NY	Med Device	TeleMed
Zogenix	C	15.0	CA	Biopharma	Drug:Device (Pain)



OnBioVC INDEX™ v. NASDAQ BIOTECH INDEX v. DOW 30 INDEX



Comparing Apples to Bowling-balls:

The OnBioVC-Index™ tracks private bioscience venture investment activity on a relative basis and benchmarks this activity versus the performance of the public markets by charting against the Nasdaq Biotech Index and the broader Dow Jones Industrial Average.



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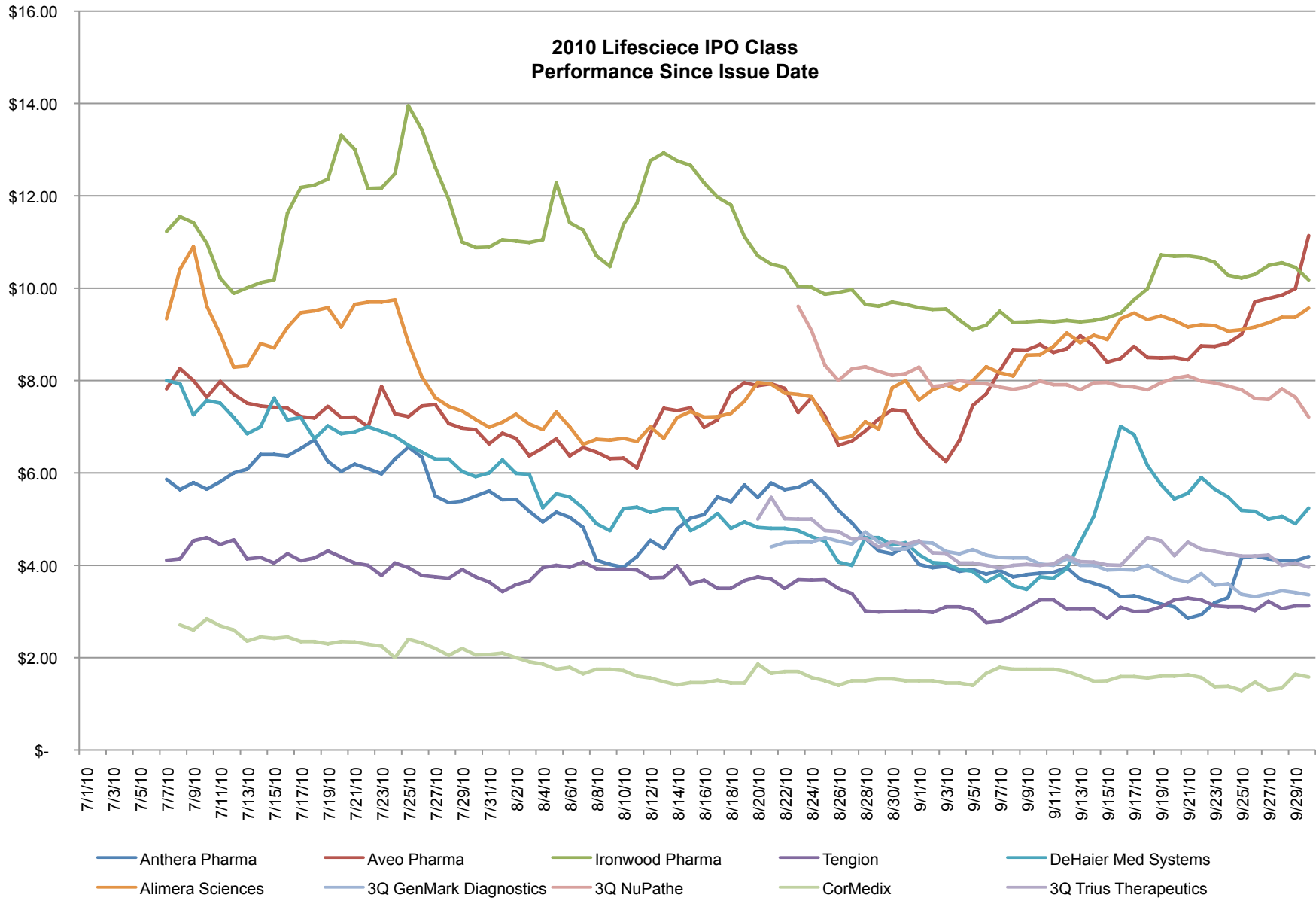
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TREND ANALYSIS



2010 New Public Issues



TREND ANALYSIS



M&A TRANSACTIONS > \$100M

ACQUIRER	TARGET	TRANSX. VAL
Eli Lilly	Alnara Pharmaceuticals	380
Alcon	LensX Lasers Inc	744
Mylan	Bioniche Pharma	550
Medco Health Solutions	United BioSource	730
3M	Arizant	810
Endo Pharmaceuticals	Qualitest Pharmaceuticals	1,200
Sigma Pharmaceuticals	Aspen Pharmacare	804
TOTAL		5,218



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